

Old Age, Disability, Death

First law: 1956 (old-age and death) and 1965 (disability).

Current law: 1987.

Type of program: Social insurance system.

Exchange rate: U.S.\$1.00 equals 0.38 Maltese lira (Lm).

Coverage

Residents age 16 and over, and citizens employed outside Malta by foreign employers having a place of business in Malta and students in certain work-study programs. Exclusion: Non-gainfully employed married women and full-time students.

Source of Funds

Insured person: Employee, 8.3% of basic wage; minimum and maximum contributions, Lm3.54 and Lm9.86 a week, respectively (flat rate of Lm2.12 a week if under age 18); self-employed, Lm5.50 to Lm15.10 a week, depending on net income from self-employment and other sources.

Employer: 10% of basic wage; minimum and maximum contributions, Lm4.24 and Lm11.83 a week respectively per employee (Lm2.12 a week for employees under age 18).

Government: 50% of total contributions.

Maximum basic wage (employed person) or net income (self-employed person) for contribution purposes: Lm6,150.04 and Lm5,046 per year, respectively.

Maximum basic wage or net income for payment of earnings-related pension: Lm6,150.04 per year.

Maximum basic wage or net income for pensionable income purposes where a *service* pension from the employer is also payable: Lm6,750 per year.

Above contributions also finance sickness, work-injury, unemployment, and family allowance benefits.

Qualifying Conditions

Old-age pension: Age 61 (men) or 60 (women). 156 weeks of paid contributions, with annual average of 50 weeks paid or credited. Reduced pension if 20-49 weeks under flat-rate pension scheme or 15-49 weeks under earnings-related scheme. Earned income, whether through employment or self-employment, must not exceed national minimum wage (Lm44.13 per week) until age 65. Payable abroad.

Disability pension: Total permanent incapacity for suitable full-time or regular part-time work. 250 weeks of paid contributions as employee or self-employed, with annual average of 50 weeks paid or credited. Reduced pension if 20-49 weeks.

Survivor pension: Widow: 156 weeks of contributions paid by deceased, with annual average of 50 weeks paid or credited. Reduced pension if 20-49 weeks under flat-rate pension scheme or 15-49 weeks under earnings-related scheme. Earned income must not exceed minimum wage. Widows below age 60 with children below age 16 qualify for their pension regardless of their income. Orphan: Both parents deceased. One parent must have been a citizen of Malta and had at least 1 week of contribution at time of death.

Old-Age Benefits

Old-age pension: Benefits vary, depending upon whether:

- 1 contributions were paid before or after January 22, 1979, when an earnings-related benefit was introduced;
- 2 a service pension is payable by the employer, which causes reductions in the social security benefit; and
- 3 the person is married and supporting his wife.

Benefits for persons who paid contributions only before January 22, 1979, range from Lm19.87 to Lm44.51 per week. By 1998 these assessments of pension rates will become equivalent to those of earnings related benefits.

Earnings-related benefits, which can be as much as Lm80.02 per week, are 2/3 of the yearly average of the best 3 consecutive years in the last 10 years before retirement for employees, and the last 10 consecutive years before retirement for self-employed persons. Adjustment: Based on increases in wages and prices.

Permanent Disability Benefits

Disability pension: Benefits vary, depending upon whether a service pension is payable and whether the person is married and supporting his wife. Benefits range from Lm16.32 to Lm36.68 per week.

Adjustment: Based on increases in prices and in some cases increases in wages.

Survivor Benefits

Survivor pension: Widow: Benefits vary, depending upon whether contributions were paid before or after January 22, 1979, and whether a widow's pension is payable by the husband's employer. The highest benefit for persons who paid contributions only before January 22, 1979, is Lm32.50 per week.

Earnings-related benefits, which can be as much as Lm66.68 per week, are 5/9 of the yearly average of the best 3 consecutive years in the last 10 years before her husband's death or retirement on age or medical grounds for employees, and the last 10 consecutive years before her husband's death or retirement for self-employed persons. Adjustment: Based on increases in wages and prices.

Remarriage grant: Upon remarriage, widow forfeits survivor pension and receives lump-sum equal to 52 weeks of pension.

Orphan: Lm11.36 per week for each orphan under age 16; Lm24.31 for each orphan between age 16 and 21, provided orphan is not gainfully employed. If the orphan is gainfully employed, but his gross earnings are less than the minimum wage, then the allowance is reduced to bring the total of such allowance and gross earnings to an amount equivalent to the minimum wage.

Adjustment: Based on increases in prices.

Administrative Organization

Ministry of Social Welfare, general supervision.

Department of Social Security, administration of program; managed by Director of Social Security.

Sickness and Maternity

First law: 1956 (sickness) and 1981 (maternity).

Current law: 1987.

Type of program: Social insurance system. Cash benefits only.

(The Conditions of Employment Regulation Act requires employers to provide 100% of earnings for 13 weeks' maternity leave.)

Coverage

Sickness benefits: Employees and self-employed persons.

Maternity benefits: Resident citizens.

Source of Funds

Insured person: See pension contributions, above.

Employer: Same.

Government: Same.

Qualifying Conditions

Cash sickness benefits: 50 weeks of paid contributions and 20 weeks paid or credited during the last two contribution years prior to the benefit year in which the claim was filed.

Maternity benefits: Maltese citizenship and residence in Malta and, if previously in employment, not entitled to maternity leave under the Conditions of Employment Regulation Act.

Sickness and Maternity Benefits

Sickness benefit: Lm5.16 per day for married men who are supporting their wives; Lm3.33 per day for other persons. Benefit is payable from 4th day of incapacity for up to 156 benefit days per year or up to maximum of 312 benefit days per year if person undergoes major surgery or suffers severe injury (not work-related) or is afflicted by serious disease requiring long treatment before person may resume work; total number of benefit days during a 2-year period may not exceed 468. In no case may total number of such benefit days exceed the total number of contributions paid since person's first entry into scheme.

Maternity benefit: Lm10.14 a week, payable for 8 weeks before and 5 weeks after confinement.

Administrative Organization

See Administrative Organization for pensions, above.

Work Injury

First law: 1929.

Current law: 1987.

Type of program: Social insurance system.

Coverage

Employees and self-employed persons who suffer business interruption as a result of work injury.

Source of Funds

Insured person: See pension contributions, above.

Employer: Same.

Government: Same.

Qualifying Conditions

One week of contributions.

Temporary Disability Benefits

Temporary disability benefit: Lm7.76 a day for married men who are supporting their wives, Lm5.85 a day for other persons. Payable from 4th day of injury for up to 12 months.

Permanent Disability Benefits

Permanent disability pension: For disabilities of 90% or more, a full disability pension (see Permanent Disability Benefits under Old Age, Disability, Death, above) regardless of number of contributions paid and/or credited.

For disabilities between 20% and 89%, pension ranges from Lm4.11 to Lm18.30 per week.

For disabilities between 1% and 19%, lump sum gratuity ranging from Lm63.52 to Lm1,206.88.

Workers' Medical Benefits

Medical benefits: Medical, surgical, and rehabilitative treatment and medicines.

Survivor Benefits

Survivor pension: Widows and orphans, see Survivors Benefits under Old Age, Disability, Death, above.

Dependent parents: Lm29.30 for married men who are supporting their wives, Lm24.42 for other persons.

Administrative Organization

See Administrative Organization for pensions above.

Unemployment

First law: 1956.

Current law: 1987.

Type of program: Social insurance system.

Coverage

Employed persons.

Source of Funds

Employed person: See pension contributions, above.

Employer: Same.

Government: Same.

Qualifying Conditions

Unemployment benefit: 50 weeks of paid contributions and 20 weeks paid or credited during contribution year prior to benefit year in which claim was filed. Person must be registered as unemployed, capable, and readily available for work.

Unemployment Benefits

Unemployment benefit: Lm3.14 per day for married men who are supporting their wives, Lm2.04 per day for other persons. Special unemployment benefit: Payable to head of household in lieu of unemployment benefit, provided head of household satisfies means-test. Rate: Lm5.27 per day for married men who are supporting their wives and Lm3.42 per day for other persons. Payable from first day of unemployment for up to 156 benefit days. After that, person will not requalify for such benefits unless he re-engages in employment for at least 13 weeks. In no case may the total number of such benefit days exceed the total number of contributions paid since the person's first entry into the scheme.

Administrative Organization

See Administrative Organization for pensions above.

Family Allowances

First law: 1974 (child allowances); 1977 (special allowances); 1988 (disabled child allowances and parental allowances); and 1989 (family bonuses).

Current law: 1987.

As from July 6, 1996: child allowance, special allowance, parental allowance and family bonus were incorporated in a new means-tested child allowance scheme. Disabled child allowance was made subject to a separate means test from the same date.

Type of program: Social insurance system/public assistance.

Coverage

All resident Maltese citizens who satisfy the means test.

Source of Funds

Insured person: See pension contributions above.

Employer: Same.

Government: Same. Full financing of disabled child allowance.

Qualifying Conditions

Child allowance: All households with children under 21 years, if income of both parents did not exceed Lm10,000 in 1996. In the case of children aged 16 or over, these must either be full-time students and not being paid for their studies, or else registered as unemployed, never gainfully employed and not already entitled to any social benefits.

Disabled child allowance: All households that have a physically or mentally disabled child and not receiving any other social security pension for this disability. Income of one of the parents must not exceed Lm13,000 (1996).

Family Allowance Benefits

Family allowances: Child allowance, benefit calculated on difference between the Lm10,000 ceiling and the couple's income times a varying percentage ranging from 1.5% to 11.5%, depending on number of children.

Disabled child allowance: Maximum, Lm5.00 per week (Income-tested).

Administrative Organization

See Administrative Organization for pensions, above.